

Of Counsel:  
DAMON KEY LEONG KUPCHAK HASTERT  
Attorneys at Law  
A Law Corporation

MICHAEL A. YOSHIDA      2559-0  
[may@hawaiilawyer.com](mailto:may@hawaiilawyer.com)  
ROSS UEHARA-TILTON      10743-0  
[rut@hawaiilawyer.com](mailto:rut@hawaiilawyer.com)  
1003 Bishop Street, Suite 1600  
Honolulu, HI 96813  
Phone: (808) 531-8031 | Fax: (808) 533-2242

Attorneys for Creditor  
PHARMACY CORPORATION OF AMERICA  
d/b/a PHARMERICA

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF HAWAII

IN RE:	) Case No. 19-01266
	) (Chapter 11)
KAUMANA DRIVE PARTNERS,	)
LLC	)
	) <b>REPLY MEMORANDUM IN</b>
	) <b>SUPPORT OF MOTION FOR</b>
Debtor.	) <b>ALLOWANCE AND INTERIM</b>
	) <b>PAYMENT OF</b>
	) <b>ADMINISTRATIVE EXPENSE</b>
	) <b>CLAIM OF PHARMACY</b>
	) <b>CORPORATION OF AMERICA</b>
	) <b>D/B/A PHARMERICA FILED</b>
	) <b>JUNE 29, 2020 [DKT NO. 262]</b>
	)
	) <u>Hearing</u>
	) Date: August 17, 2020
	) Time: 2:00 p.m.
	) Judge: The Honorable Robert J. Faris
	)
	)

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**REPLY MEMORANDUM IN SUPPORT OF MOTION FOR  
ALLOWANCE AND INTERIM PAYMENT OF ADMINISTRATIVE  
EXPENSE CLAIM OF PHARMACY CORPORATION OF  
AMERICA D/B/A PHARMERICA FILED JUNE 29, 2020 [DKT NO. 262]**

Creditor PHARMACY CORPORATION OF AMERICA d/b/a PHARMERICA (“PharMerica”), by and through its undersigned counsel, submits this Reply Memorandum in support of its Motion for Allowance and Interim Payment of Administrative Expense Claim filed June 29, 2020 (“Motion”):

1. Debtor requests that the Court “deny the Motion until [PharMerica] establishes that the goods identified in the Billing Summary were in fact received by the Debtor during the reclamation window.” (Dkt. No. 275 at 6).

2. PharMerica confirms that the “Date of Service” listed on the invoices attached to the Motion as Exhibit A is the actual date that each item was dispensed and received by Debtor for the benefit of a patient.

3. In the Declaration of Michael Rodriguez filed in support of the Motion, PharMerica’s Director of Collections – Client Billing Services stated that Exhibit A to the Motion “is a summary of the outstanding balance owed to PharMerica by the Debtor for good and services **provided to** or on behalf of the Debtor between September 16, 2019 and October 5, 2019.” *Id.* ¶ 14 (Dkt. No. 262 at 8).

4. Further, Debtor's own books and records, such as a facility manifest or similar, will confirm that the Date of Service listed in PharMerica's invoices was the date the items were actually provided to the Debtor.

5. Debtor further requests that the Court "reduce the total amount of the Claim by \$3,102.61" for charges that were rendered prior to the filing of the Debtor's Petition on October 6, 2019, but reflected on the invoice generated by PharMerica's accounting system with an invoice date of October 31, 2019. (Dkt. No. 275 at 3–4, 6).

6. PharMerica again confirms that the charges and service dates reflected on the Declaration of Michael Rodriguez and the attached billing summary reflect goods that fall within the administrative priority period, since the Declaration and summary were prepared by PharMerica specifically for this proceeding using data from PharMerica's accounting system. *See* Ex. A (referring to "503(b)(9) Claim Amounts")

7. As to the timing of administrative payments, PharMerica requests that the Court consider that substantial payments have already been made in this case for administrative claims. *See, e.g.,* Order on Application for Compensation (awarding \$109,068.01 in fees and \$4,132.03 in expenses to Debtor's counsel) (Dkt. No. 152); Order on Application for Compensation

(awarding \$70,979.14 in fees and \$409.91 in expenses to R. Pumphrey & Associates, LLC, Accountant) (Dkt. No. 153); Order on First Interim Application for Compensation (awarding \$7,356.50 in fees to Pease & Associates, CPAs as Accountants to Debtor and Debtor-in-Possession) (Dkt. No. 155); Order Granting Application for Compensation (awarding \$6,770.68 in fees to Kessner Umebayashi Bain & Matsunaga) (Dkt. No. 165); Order Granting Application for Compensation (awarding \$5,056.77 in fees and \$30.00 in expenses to Barbara L. Franklin) (Dkt. No. 171); Order Granting Application for Compensation (awarding \$2,781.41 in fees to Jacqueline Gardner) (Dkt. No. 172); Order on Application for Compensation (awarding \$8,041.87 in fees and \$12.00 in expenses to Carl H. Osaki, AAL, ALC, Special Litigation Counsel) (Dkt. No. 236).

8. There is no reason why PharMerica's administrative claim should be treated any differently than other administrative claims, particularly where Debtor acknowledges that the bankruptcy estate is administratively solvent. (Dkt. No. 275 at 6).

Accordingly, Debtor requests that the Court enter an order allowing the entire amount of PharMerica's administrative claim and the interim payment of the same.

Dated: Honolulu, Hawaii, August 10, 2020

DAMON KEY LEONG KUPCHAK HASTERT

*/s/ Ross Uehara-Tilton*

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MICHAEL A. YOSHIDA  
ROSS UEHARA-TILTON

Attorneys for Creditor  
PHARMACY CORPORATION OF AMERICA  
d/b/a PHARMERICA